

Economic Mobility Corps Act of 2019

Senator Coons & Senator Cassidy

Background

- **Community development financial institutions (CDFIs) are mission-driven financial lenders.** There are more than 1,000 Treasury-certified CDFIs located in all 50 States, D.C., Guam, and Puerto Rico. CDFIs have successfully provided critical and responsible financial products and services that have benefited low-income and distressed communities as well as community businesses since the program's inception in 1994.
- **CDFIs need more talent and human capacity.** According to a report released by the Opportunity Finance Network, CDFIs face a challenge in recruiting and cultivating talented individuals who possess a unique mixture of financial skills and commitment to the industry's mission.¹
- **National Service programs, carried out through the Corporation for National and Community Service (CNCS), can increase the talent and human capacity, while expanding the services of CDFIs.** Through AmeriCorps and Senior Corps, CNCS engages over 325,000 volunteers in national service each year.²
- **CDFIs and National Service programs have aligned objectives.** Economic opportunity is one of CNCS' focus areas. Both CNCS and CDFIs engage local residents and community partners to meet community-identified needs.
- **CNCS has already engaged in several partnerships with Federal agencies.** CNCS has successfully partnered with federal agencies, such as the Federal Emergency Management Agency, Department of Transportation, Department of Education, and Department of Justice.

The Economic Mobility Corps Act of 2019

- **Authorizes a grant program to be jointly run by CNCS and the Department of the Treasury.** The bill instructs the Chief Executive Officer of CNCS and the Secretary of the Treasury to enter into an interagency agreement to establish a competitive grant program to place national service members at certified nonprofit CDFIs.
- **Strengthens the capacity of nonprofit CDFIs.** CDFIs provide services that include: financial counseling, financial services, job placement, small business financing, affordable rental housing financing, commercial facility financing, community facility financing, single family home financing, and foreclosure prevention services. The grant program would connect the work of selected CDFIs with dedicated national service members to strengthen these services.
- **Connects national service participants with meaningful service opportunities and financial assistance.** National service participants will not only benefit from participating in economic opportunity service and gain hard financial and community development planning skills, but will also be eligible for CNCS-offered benefits, including the Segal AmeriCorps Education Award.
- **Creates a strong pipeline of human talent for the CDFI industry.** National service members may elect to remain in the CDFI industry following their service, using their newly gained skills, creating a long-term positive impact on the industry and the communities served. According to CNCS's 2016 Alumni Outcome Report, more than two-fifths (42 percent) of alumni who were employed within six months after their AmeriCorps service said that their employment resulted from a connection made during AmeriCorps service.³

¹ Opportunity Finance Network. (2011, December). CDFI v2.0 The Vision of a New Generation.
https://ofn.org/sites/default/files/resources/PDFs/Consulting/CDFIv2_FINAL.pdf

² Corporation for National and Community Service (2018, April). National Service Recognition Day.
<https://www.nationalservice.gov/sites/default/files/documents/NSRD%20Fact%20Sheet.pdf>

³ Corporation for National and Community Service. (2016, August). AmeriCorps Alumni Outcomes.
https://www.nationalservice.gov/sites/default/files/evidenceexchange/FR_AmeriCorpsAlumniOutcomesFinalTechReport.pdf